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HATTERAS NETWORKS BREAKS ICE IN ICELAND

Mid-Band Ethernet is gaining global adoption as carriers can now procure advanced solutions and post sales support completely from the web

LIGHT READING ETHERNET EXPO, LONDON, ENGLAND, AND RESEARCH TRIANGLE PARK, NC, MAY 3, 2007 — Hatteras Networks™, the Mid-Band Ethernet™ services specialist, today announced that Míla, Iceland's incumbent and largest operator, has signed a turnkey contract to plan, deploy and integrate the country's first Mid-Band Ethernet service offering. Under the contract, Hatteras Networks will be the sole supplier of Mid-Band Ethernet equipment. Hatteras Networks' advanced website capabilities enabled Míla to learn about Mid-Band Ethernet, complete their technical evaluation, procure the Hatteras solution and launch services, including post sales support, all remotely from the Hatteras Networks website.

“Hatteras Networks does not have a physical presence in Iceland, but the company's advanced website capabilities allow customer acquisitions of carriers in remote regions, such as Míla's location in Iceland, to be completed entirely over the web. This is yet another key indicator of both the growth and maturity of the Mid-Band Ethernet market,” said Kevin Sheehan, president and CEO of Hatteras Networks. “We are seeing a huge uptake in Mid-Band Ethernet demand and are extremely excited to be able to enable operators around the world to launch new revenue generating Mid-Band Ethernet services.”

“We are leveraging Hatteras Networks' Mid-Band Ethernet solutions to deliver a comprehensive suite of 2-45Mbps Metro Ethernet services where fiber is not yet available,” said Eva Magnúsdóttir, director of sales and marketing for Míla. “Mid-Band Ethernet enables us to deliver a highly compelling service offering to our business and wholesale customers that blends fixed-line services such as traditional voice, Voice over IP (VoIP) and IPTV with support for wireless and mobile-based services.”

Hatteras Networks Mid-Band Ethernet equipment enables Míla to offset the high cost of trenching fiber. With Hatteras Networks' equipment, Míla has created a robust, highly flexible service creation foundation on which it can build and offer a wide range of traditional and IP-based services that easily integrate into its IP/MPLS network core.

Hatteras Networks' Mid-Band Ethernet platforms are fully temperature-hardened devices that can be deployed anywhere in the outside plant of the carrier's access network. Capable of delivering up to 45Mbps of symmetrical bandwidth over bonded copper pairs, Hatteras Networks solutions enable carriers to more effectively leverage the existing copper loop infrastructure to deliver high-performance, high-margin, business-grade services that can support a wide range of converged services.

“The market for Mid-Band Ethernet solutions across Europe and North America is rapidly evolving and maturing as a means for service providers to respond to the demands of their business customers for resilient, high-bandwidth access services,” said Camille Mendler, vice president of Yankee Group's Enterprise Research group. “Míla is a perfect example of how quickly carriers can evaluate and launch Mid-Band Ethernet services without ever physically meeting the equipment supplier.”

About Míla

For over a century, Míla has been at the heart of Iceland's telecommunications network. The company was recently spun off from Síminn, (formerly Iceland Telecom) and is part of the Skipti companies, which Síminn also belongs to. Míla's central function is to build and operate Iceland's most advanced telecommunications access and transport network. Other telecommunications companies connect to this network as well. Information about Míla is available at <http://www.mila.is/>.

About Hatteras Networks

Hatteras Networks is redefining the way carriers think about Ethernet services. Hatteras Networks' Ethernet service edge solutions are leading Service Providers worldwide to a \$15 billion expansion of the Metro Ethernet market, which had previously been limited to the fiber footprint. Historically, T1s and E1s have been the fundamental building block for voice and data business services. Now, Service Providers can cost-effectively offer up to 45 Mbps Mid-Band Ethernet services over existing copper facilities, enabling businesses to migrate from legacy Frame Relay, ATM and T1/E1 connections to transparent Ethernet services for voice and data business connectivity, infrastructure backhaul and mobile wireless backhaul solutions.

Already deployed on five continents, Hatteras Networks solutions are enabling a market expansion for carriers that is as significant for business services as “triple play” is for residential. For more information, visit www.hatterasnetworks.com.

Note to Editors: Hatteras Networks and Mid-Band Ethernet are trademarks of Hatteras Networks. All other trademarks are the property of their respective owners.

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